

FISCAL NOTE

Bill #: SB0013 **Title:** Include pupils educated via distance learning in definition of ANB

Primary Sponsor: Laible, R **Status:** As Introduced

Sponsor signature	Date	David Ewer, Budget Director	Date
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Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
General Fund	\$0	\$370,600
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	\$0	(\$370,600)

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|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov. Impact
<input type="checkbox"/> Included in the Executive Budget
<input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Technical Concerns
<input type="checkbox"/> Significant Long-Term Impacts
<input checked="" type="checkbox"/> Needs to be included in HB 2 |
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Fiscal Analysis

ASSUMPTIONS:

1. SB 13 allows a district to enroll and serve a resident student through the electronic delivery of its curriculum at a site other than a district facility. It is likely that passage of SB 13 will encourage more home school students, especially high school students, to enroll part-time as public school students.
2. For FY 2005, home school enrollment (as registered with county superintendents) totals 3971. By grade level, the home school enrollment is: 107 enrolled in kindergarten, 2932 in grades 1-8, and 932 in grades 9-12.
3. Enrollment in FY 2005 drives ANB funding for FY 2006. Therefore, SB 13 will not impact K-12 BASE costs until FY 2007. For the purposes of this fiscal note, it is assumed that no school experiences a 6 percent increase in enrollment in FY 2006 as a result of this legislation. (The 6 percent threshold is the threshold for a school district to be eligible for additional state aid through a budget amendment.)
4. It is assumed that the availability of distance learning programs will increase over time. For FY 2006, 5 percent of the home school students in grades 1-6 (147 students) and 10 percent of the home school students in grades 9-12 (93 students) are anticipated to enroll part-time in public school in response to the distance learning option.
5. The state funding per-ANB for an elementary ANB (based on the present law adjustments) will be \$2,771 in FY 2007 and for a high school ANB it will be \$3,589. Based on these assumptions, the state's cost for

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(continued)

K-12 BASE aid will increase by \$370,600 in FY 2007 as a result of SB 13. (FY 2007 = 147 elementary students enrolled half-time at a cost of \$2,771 each plus 93 high school students enrolled half-time at a cost of \$3,589 each.)

FISCAL IMPACT:

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
<u>Expenditures:</u>		
Local Assistance	\$0	\$370,600
<u>Funding of Expenditures:</u>		
General Fund (01)	\$0	\$370,600
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	\$0	(\$370,600)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

As district's ANB increases, its maximum and BASE general fund budget increases in response. The increase in BASE budget will require a local match for the additional BASE budget authority. The increase in the district maximum budgets will allow districts to choose to increase adopted budgets with the use of local voted levies.

LONG-RANGE IMPACTS:

It is assumed that the availability and diversity of distance learning programs will increase over time. As acceptance increases of this learning method many rural districts may experience greater shifts of students to distance learning.

TECHNICAL NOTES:

Section 1, subsection 1(a) needs to be amended to include not only pupils who meet the residency requirements of 1-1-215, but also pupils who are enrolled under an attendance agreement between the district of residence and the district of attendance.